

Final ACA Individual Rate Increase 3% / Highmark to Rebate Over \$5 Million to Small Groups

Dover, DE – Insurance Commissioner Trinidad Navarro announced the 2019 Affordable Care Act (“ACA”) rates today. While Highmark Blue Cross Blue Shield of Delaware (Highmark BCBSD) proposed a rate increase of 5.7% for its 2019 individual Marketplace business, the Department of Insurance (“Department”) ultimately approved a 3% rate increase.

Although, the initial proposed rate filing was significantly lower than in previous years, the Department again contracted with one of the most experienced, and qualified actuaries in the nation to perform an internal examination of the filing. The Delaware Department of Insurance gives ALL rate filings the same careful scrutiny regardless of the amount requested.

Commissioner Navarro Stated: “Even though I’m pleased that the Department was able to approve a rate which is 47% less than the proposed rate, I recognize that this increase places an additional burden on thousands of families. Because our regulatory work doesn’t end with a rate filing approval, I also wanted to mention that Highmark will be rebating a total of \$5,050,952.00 to their small group market members as a result of their administrative fees exceeding the mandated MLR (Medical Loss Ratio) rules. The rebates will be paid out by September 30, 2018.”

The 2019 ACA rates are silver loaded. Silver-plan premiums are the benchmark in calculating tax credits used to subsidize lower-income enrollees’ premiums. Therefore, silver-loading generally results in greater federal subsidies to help curb

expenses. Because of the increased federal subsidies received, silver-loading may result in reduced gold plan premiums and free or very low-cost bronze plans for some members.

Because this year's filing may result in lower costs for many consumers, the Department urges consumers to examine their rates and reapply for coverage through the Marketplace.

Presently, 20,000 Delawareans have health insurance through the Affordable Care Act and will be affected by increasing rates.

Please note that the proposed rate increase will not apply to Delawareans on Medicare, Medicaid, or those with group or individual policies outside of the Marketplace.

Contact: Vince Ryan

Office: (302) 674-7303

Email: vince.ryan@delaware.gov

Delaware Department of Insurance

<http://www.insurance.delaware.gov>

Dover Office: 302-674-7300

Consumer Services Division: 1-800-282-8611